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SUBJECT: UKRAINE: FOREIGN POLICY OF A REGIONS-LED GOVERNMENT

REF: A. KIEV 3026
[1](#)B. KIEV 2964
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Classified By: Political Counselor Kent Logsdon for reasons 1.4(b,d)

[1](#)1. (C) Summary: In an August 3 meeting, parliamentary deputy and Party of Regions foreign-policy expert Kozhara was sketchy on the details of how a Regions-led government might modify Ukraine's foreign policy approaches. He affirmed that Regions would work to pass WTO-related legislation, but also suggested that the new cabinet would first "review" the language of the bills and invite private sector comment. Kozhara did not disagree that Yanukovych would work actively toward a NATO membership action plan (MAP) at the Riga summit. In various comments, Kozhara suggested Yanukovych would exercise personal diplomacy to make progress in Ukraine's relations with Russia, Belarus, and with Moldova on the Transnistria issue.

[1](#)2. (C) Comment: During a July 27 lunch, four leading political analyst guests were unanimous and remarkably downbeat about the implications of a Regions-led government. They suggested that a government under Yanukovych would virtually reverse all the gains made since the Orange Revolution, stop Ukraine's westward progress dead in its tracks, and restore Russian influence on Ukraine's foreign policy. In the end, however, they grudgingly accepted that any government would be better than the uncertainty and doldrums existing at the time and that we would have to judge this government by the concrete actions it took. Kozhara, and Yanukovych, however, have been noticeably conservative in their suggested approaches to foreign policy. Kozhara was careful to convey the point that President Yushchenko, through his choice of foreign minister, would take the lead in developing and executing foreign policy. As we have noted previously, we agree that we will have to judge the nature of the Yanukovych prime ministership based on actions, not words, especially in the areas of foreign economic policy, such as WTO accession, normally considered part of the prime minister's portfolio. End summary and comment.

The Formal Commitment

[1](#)3. (U) In refusing to sign the "universal" declaration August 3, leader of her eponymous political bloc Yuliya Tymoshenko observed that 90 percent of the declaration consisted of empty statements on social and economic issues and that the remaining ten percent with real content had been rewritten in Party of Regions' favor. While she singled out provisions on language and religion, Tymoshenko was probably also thinking about the last four clauses (24-27) of the declaration having to do with foreign policy.

14. (U) The universal declaration lists the following Ukrainian priorities:

-- In clause 24, "establishing effective economic cooperation with all interested foreign partners, based on Ukraine's interest." This includes a adopting legislative changes without delay and "joining WTO by the end of 2006 on conditions acceptable to Ukraine";

-- In clause 25, "continuing the direction of Ukraine's European integration, with the prospect of Ukraine joining the European Union." "Steady implementation of Ukraine-EU Action Plan, immediate start of negotiations on formation of the free trade zone between Ukraine and EU."

-- In clause 26, "completing . . . Ukraine's participation in the Single Economic Space" and "creation at the first stage of the free trade zone without restrictions and exclusions."

-- In clause 27, "mutually beneficial cooperation with NATO in accordance with the 'Law of Ukraine on the Foundations of the National Security of Ukraine,'" including "making a decision about joining NATO based on the results of referendum that takes place after Ukraine fulfills all necessary procedures."

15. (C) In an August 3 meeting, former Ukrainian ambassador to Sweden, Party of Regions foreign policy guru, and parliamentary deputy Leonid Kozhara commented on the universal declaration, its specific points, and the likely approach a Regions-led government would take to other key foreign policy issues. Kozhara voiced moderate approaches, trying to put the best spin on Regions' world view, but his

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comments also closely tracked with the comments (reftels C-G) of his boss, next Prime Minister Viktor Yanukovich.

The Universal Declaration

16. (C) Kozhara prefaced his remarks by noting that much would depend on the personality of the next Foreign Minister. He professed to have no knowledge of who might be the leading candidate, although he was certain that a selection had been made and the information kept close hold. Earlier, he had opined to us that there were four leading candidates (former FM Konstantin Hryshchenko, former First DFM Oleksandr Chaliy, Ukrainian Ambassador to France Yuri Sergeev, and Ukrainian Ambassador to Austria Volodymyr Yelchenko) and he now said that, as far as he knew, they were still the leading candidates.

17. (U) Kozhara was also certain acting Foreign Minister Borys Tarasyuk would not continue in the position. Regions policy called for improving relations with Russia, and Tarasyuk had antagonized Moscow to a degree that mending fences would be impossible if Tarasyuk continued in his position. As for MFA's top leadership, Kozhara knew them personally and recognized that they were top-notch professionals. While their professional futures would be in the hands of the next FM, Kozhara did not expect that a wholesale housecleaning would necessarily occur. DFM Andriy Veselovsky (special negotiator for Transnistria), for example, might stay on. (Note: At this point, it looks clear that Tarasyuk will be Yushchenko's choice to continue as FM. Kozhara holds a personal grudge against Tarasyuk, so he might have been voicing his personal hope that Tarasyuk would be forced out.)

18. (C) Kozhara noted the universal declaration was a political document of uncertain impact that was not legally binding. The new cabinet's actual program and policies would probably need to be detailed in a written workplan that would be submitted to Parliament (Rada) for ratification. Similar workplans in the past, however, had focused on economic and

social priorities and touched upon foreign policy only through the lens of trade and economic policies. While the universal declaration could act as a reference guiding future government decisions, the workplan was the legally enforceable document.

The Declaration's Specific Provisions

¶9. (C) Kozhara said, if the Communists were to sign the universal declaration, Communist participation would be a real breakthrough since the document explicitly referenced Ukraine's NATO aspirations. (Note: In the end, Communist leader Petro Symonenko signed, but with five opt-outs, including the NATO clause. See ref A.) When asked, he said a Yanukovych letter to the NATO Secretary General requesting MAP would not be inconsistent with Yanukovych's approach to NATO. He affirmed that with respect to the Single Economic Space (SES), Ukraine would continue to put an emphasis first on the creation of a free trade zone within the four SES countries. Access for Ukrainian goods to a market spanning "Vladivostok to Kaliningrad" would be a tremendous advantage, Kozhara noted. The Rada would address WTO-related legislation but, he claimed, the Cabinet would not simply forward the legislation. The Cabinet would first invite comments from industry on the legislation, then review the draft laws to ensure that they met WTO and Ukrainian economic requirements. On EU membership, Kozhara said he pinned hopes on the German presidency to achieve additional progress. He had heard that, within the EU, Germany was championing an initiative to establish a special EU-Ukraine relationship that would remove Ukraine from the EU's "New Neighborhood" category.

Russia

¶10. (C) Kozhara said a Regions-led government would put an emphasis on restoring relations with Russia, which had worsened under President Yushchenko. As Prime Minister, Yanukovych would follow the tradition of new Ukrainian prime ministers and make an early visit to Moscow. There, Yanukovych would meet with Russian President Putin and would work to lay the groundwork for the long-promised Putin visit to Kiev later in the year. Yanukovych and the new cabinet would also work to make progress on bilateral issues with Russia that had been stalled. In particular, Yanukovych would focus his efforts on getting Russia to lift the various prohibitions and obstacles to the import of Ukrainian foodstuffs. (Kozhara observed progress toward SES could be one useful avenue to this goal.) Yanukovych also wanted to make progress on practical issues regarding demarcation of

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land and sea borders (especially in the Kerch Strait) between Ukraine and Russia.

¶11. (C) Kozhara noted the Yushchenko-Putin interstate commission was supposed to work on such issues but had been ineffective (note: principally because the Russians have refused to meet). He suggested that an intergovernmental commission, at the level of prime ministers, should be established to supplant the Yushchenko-Putin commission. (Comment: Kozhara might have been reflecting thinking within Party of Regions, but we find it difficult to believe that Yushchenko would allow Yanukovych to infringe on his foreign policy prerogatives in such a fashion, especially since establishment of a "Yanukovych-Fradkov" commission would implicitly suggest the Yushchenko-Putin commission had been a failure.)

Transnistria and Belarus

¶12. (C) Kozhara suggested Yanukovych would not roll back elements of Ukraine's current approaches to Belarus and

Transnistria and, in particular, would continue to observe the Ukraine-Moldova customs agreement. In both cases, however, he argued that "isolation" was a poor approach that simply bolstered popular support for Igor Smirnov in Transnistria and Aleksandr Lukashenka in Belarus. Yanukovych knew Lukashenka, Smirnov, and Moldovan President Voronin personally. A key step toward settling the Transnistria issue would be to have both Voronin and Smirnov sit at the same table (which they have not done to date) to work on resolving the issue of Transnistrian separatism. Just having the two sit at the same table would be a confidence booster and a breakthrough, Kozhara argued, and Yanukovych would provide his good offices toward achieving this outcome. We reiterated EUR DAS Kramer's point, ref B, that the two figures were not equal.

¶13. (C) We briefed Kozhara on MFA's plans to host a Belarus donors' conference in September. When Kozhara opined the Belarusian government should welcome additional international assistance, we clarified that donor contributions were primarily directed at development of civil society. We said we hoped MFA would press forward with preparations for the conference once the next Foreign Minister had been appointed and the new cabinet was in place.

¶14. (U) Visit Embassy Kiev's classified website:
www.state.sgov.gov/p/eur/kiev.
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